

PROFESSIONAL ASSOCIATION

16 CHARLOTTE STREET
CHARLESTON, SC 29403PO DRAWER 22247
CHARLESTON, SC 29413-2247PHONE: 843.727.2200
FAX: 843.727.2238

WWW.P-TW.COM

E-MAIL: gtw@wiselaw.com
DIRECT DIAL: 843.727.2208
FAX: 843.727.2231

RECEIVED

JUN 04 2012

PSC SO
MAIL/DMS

E. DOUGLAS PRATT-THOMAS

C. TRENHOLM WALKER

W. ANDREW GOWDER, JR.

JOH L. AUSTEN

LINDSAY K. SMITH-YANCEY (SC, NC)

THOMAS H. HESSE (SC, GA)

IAN W. FREEMAN (SC, CA)

DANIEL S. McQUEENEY, JR.

KATHLEEN FOWLER MONOC

COPY

Posted: 6-4-12 de

Dept: SA

Date: 6-4-12

Time: 2:24 pm

June 1, 2012

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission
101 Executive Center Drive, Suite 100
Columbia, SC 29210Re: Kiawah Island Utility, Inc. Purchased Water Adjustment Review Request
Our File No.: 5435.002

Dear Ms. Boyd:

I am writing on behalf of Kiawah Island Utility, Inc. (the "Utility") to request that the Commission review and approve an increase in the Utility's rates for potable water to its customers as a result of an increase in the wholesale cost of potable water it purchases from by St. Johns Water Company to the Utility.

This request for review is submitted according to the procedures set forth in the "Purchased Water Adjustment," copy enclosed, approved by the Commission in its Orders in the Utility's last rate case, Order Nos. 2002-285 and 2002-517. The purpose of this pass-through was to allow a simple procedure for increasing the rates for potable water to the Utility's customers in the identical amount of any increase in the wholesale rate charged to the Utility by St. Johns Water Company. The Commission last approved a similar request in its Order No. 2011-51, copy enclosed.

The Utility is proposing to increase the rate for potable water to all classes of customers in the amount of \$0.05 per thousand gallons. The amount of the increase in the Utility's cost of wholesale potable water imposed by St. Johns Water Company is \$0.047.

In further substantiation of this request I have enclosed a copy of a letter dated May 29, 2012, to me from Becky Dennis, General Manager of the Utility, outlining the basis for the request. The enclosures in her letter include a table showing the current rates and the proposed new rates as well as the background correspondence from St. Johns Water Company documenting the increase in the Utility's cost of wholesale potable

Jocelyn Boyd
RE: KIU Water Rate Increase
June 1, 2012
Page 2

water and the background correspondence to St. Johns Water from Charleston Water System.

The Utility proposes to implement the increase upon PSC approval of its request and the 30-day advance notice to its customers.

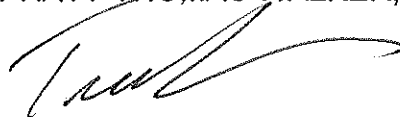
In compliance with the Commission's conditions for allowing this increase, the Utility will furnish thirty (30) days prior written notice to its customers of the amount of the adjustment, the basis for it, and the adjustment's effective date.

If you have any questions or anything additional needs to be submitted to accomplish this request, please feel free to call me or Becky Dennis whose telephone number is on the enclosed letter.

With kind regards, I am,

Sincerely,

PRATT-THOMAS WALKER, P.A.



G. Trenholm Walker

GTW\njdm

Enclosures (As noted)

c: F. David Butler, Esq.
C. Dukes Scott, Esq.
Florence Belser, Esq.
Becky Dennis
Townsend Clarkson
Steve D. Heyboer
Robert L. Brooke, Esq.



May 29, 2012

G. Trenholm Walker
Pratt-Thomas Epting & Walker
16 Charlotte Street
Charleston, SC 29403

Dear Mr. Walker:

Kiawah Island Utility, Inc. (KIU) received a letter from the St. Johns Water Company (SJWC) informing us that an increase in rates to their wholesale customers would become effective December 1, 2011.

The current approved rate for purchased water is \$2.40. The new rate of \$2.447 is an increase of \$0.047 per thousand gallons. This increase on the December 2011 usage was charged on the January 2012 billing.

When this notice was received we were engulfed in the most recent rate application and therefore this increase notice was set aside. It was only recently that I realized that I had failed to request this increase as intended. I hope the Commission will forgive my delay.

Once this request is approved, and the customers are given a 30 day advance notice, we will pass along the increase of \$0.05/thousand gallons to each consumption tier in each class of potable water customer.

I have attached a copy of the letter from Charleston Water Systems to SJWC and from SJWC to KIU related to the increase. In addition I have enclosed a schedule comparing the existing rate to the new rate resulting from this increase.

If you require any additional information to prepare the packet for the Public Service Commission please do not hesitate to contact me either by phone at (843) 768-0641 or email.

Sincerely,

A handwritten signature in black ink, appearing to read "Becky J. Dennis".

Becky J. Dennis
General Manager

CC: Townsend Clarkson
Steve Heyboer

Kiawah Island Utility, Inc.

	Consumption Rates	
	Old	New
Rate Schedule # 1 - Residential		
Tier #1 (up to 11,000)	3.06	3.11
Tier #2 (11,000 - 50,000)	3.51	3.56
Tier #3 (all over 50,000)	3.78	3.83
Rate Schedule # 2 - Commercial		
All water consumption	3.78	3.83
Rate Schedule # 3 - Hotel		
All water consumption	3.78	3.83
Rate Schedule # 4 - Irrigation		
Tier #1 (All up to 50,000)	3.51	3.56
Tier #2 (All over 50,000)	3.78	3.83
Rate Schedule # 5 - Fire Hydrant Service		
Temporary use by contractor	4.17	4.22
Rate Schedule # 6 - Golf Course Irrigation		
Effluent water	0.17	0.17
Deep Well water	0.20	0.20
Potable water	3.78	3.83
Rate Schedule #7 - Fire Line Service		
No consumption charge in the schedule	N/A	N/A

ST. JOHN'S WATER COMPANY, INC.

Post Office Box 629
John's Island, South Carolina 29457-0629
Phone (843) 559-0186
Fax (843) 559-0371

Board Members

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Albert Thompson, Jr., Sec/Treas
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Ronald Coleman
Becky J. Dennis
Cindy M. Floyd
Joseph W. Hall
Robert M. Lee

September 2, 2011

Ms. Becky Dennis
Kiawah Island Utilities
32 Sora Rail Road
John's Island, SC 29455

Re: 2011 - 2012 Rate Increase

Dear Becky,

Charleston Commissioners of Public Works has informed St. John's Water Company of a rate increase effective December 1, 2011. This new rate will be reflected on the usage reading as of December 31, 2011 as it is usually read on the last day of the month. The new rate has been computed to equal \$ 2.447 per one thousand gallons. Your current rate per thousand gallons is \$ 2.40.

At this time your O&M charges will not change until we receive information from the audit for year ending September 30, 2011.

If you have any questions, please call me at your convenience.

Sincerely,



Ava Robichaux
General Manager



103 St. Philip Street
P.O. Box B
Charleston, SC 29402
(843) 727-6800
www.charlestonwater.com

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Dorothy Harrison, Chief Administrative Officer
Wesley Ropp, CMA, Chief Financial Officer
Andy Fairey, Chief Operating Officer
Mark Cline, P.E., Capital Projects Officer

September 1, 2011

Ms. Ava Robichaux
St Johns Water Company
Post Office Box 629
Johns Island, SC 29455

Subject: 2012 Wholesale Municipal Rate

Dear Ms. Robichaux:

This letter is to notify you that we are implementing the second of three (3) rate increases which were approved by our Commissioners in 2010. The current wholesale Municipality charge is \$1.79/Ccf. The new wholesale Municipality charge of \$1.83/Ccf will be implemented on December 1, 2011.

If you have any questions, feel free to contact me at 727-6916. As always, we look forward to continuing our long-standing relationship.

Sincerely,

A handwritten signature in dark ink, appearing to read "Wesley Ropp", is written over a horizontal line.

J. Wesley Ropp, CMA
Chief Financial Officer

cc: Kin Hill, P.E., CEO
Dorothy Harrison, CAO
Mark Cline, CPO
Andy Fairey, COO
Laurie Ryan, St. Johns Water Company
Jenny Craft, Public Relations Manager
Evelyn Ferguson, Director of Customer Service
Gloria Fielding, Billing & Adjustment Operations Manager

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2001-164-WS - ORDER NO. 2011-51
JANUARY 18, 2011

IN RE: Application of Kiawah Island Utility, Inc. for) ORDER GRANTING
Approval of an Increase in Its Rates and) BULK WATER PASS
Charges for Water and Sewer Service) THROUGH INCREASE

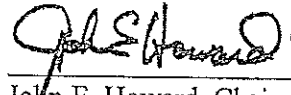
This matter comes before the Public Service Commission of South Carolina ("Commission") on the request by Kiawah Island Utility, Inc. (the "Utility") to increase its rates for potable water to its customers as a result of an increase in the wholesale cost of potable water it purchases from the St. Johns Water Company. This request was submitted according to the procedures set forth in the "Purchased Water Adjustment" section of Order No. 2002-285 (April 18, 2002) in the Utility's last rate case. Specifically, St. Johns Water Company has revised its wholesale potable water charge to the Utility from the current rate for purchased water of \$2,347 per thousand gallons to the new rate of \$2,393 per thousand gallons, which is an increase of approximately \$0.05. It is the Utility's intent to pass this increase to each potable water consumption tier.

The request of Kiawah Island Utility is granted, allowing the Utility to pass through the increase in the bulk water rate charged by St. Johns Water Company. The approximately \$0.05 increase per thousand gallons of water may be passed on to

customers once the utility has provided at least thirty (30) days notice of this ruling to its customers.

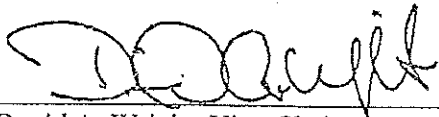
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman
(SEAL)